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In the Supreme Court

OF THE
United States

OCTOBER TERM, 1943

No. 341

AMOS S. MARCHUS,

Petitioner,

VS.

OTTO C. DRUGE and DAN O. DRUGE, co-
partners under the firm name and
style of Druge Brothers Manufac-
turing Company,

Respondents.

PETITION FOR WRIT OF CERTIORARI
to the United States Circuit Court of Appeals
for the Ninth Circuit
and
BRIEF IN SUPPORT THEREOF.

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partners under the firm name and
style of Druge Brothers Manufac-
turing Company,

Respondents.

**PETITION FOR WRIT OF CERTIORARI
to the United States Circuit Court of Appeals
for the Ninth Circuit.**

*To the Honorable Harlan F. Stone, Chief Justice of
the United States, and to the Associate Justices
of the Supreme Court of the United States:*

Your petitioner, Amos S. Marchus, being a citizen
of the United States and a resident of the City of
Oakland, County of Alameda, State of California,

respectfully prays for a writ of certiorari to the United States Circuit Court of Appeals for the Ninth Circuit to review a judgment entered by the Court on June 11, 1943 (IV R. 869) affirming an order of dismissal of the complaint and judgment of the United States District Court for the Northern District of California, Southern Division.

In conformity with Rule 38 of this Court a certified copy of the record, including the proceedings in the Ninth Circuit Court of Appeals, accompanies this petition.

SUMMARY STATEMENT OF MATTER INVOLVED.

Originally and on December 28, 1938, petitioner and his then exclusive licensee, Ames Supply Co., an Illinois corporation, brought a suit (Court Action No. 540) for infringement of three several Letters Patent* in the Northern District of Illinois (R. 23).

Subsequently and on June 7, 1939, and while that case was pending and before it could be tried, appellees brought an action for declaratory judgment in the District Court for the Northern District of California, Southern Division, asking, among other things, that the said patents sued on in the Chicago suit be

*These patents were:

Patent No. 1,845,922 of February 16, 1932, for "Air Hose Connection" for a tire gauge;

Patent No. 1,892,435 of December 27, 1932, for "Combined Tire Gauge and Filling Valve"; and

Patent No. 2,012,430 of August 27, 1935, for "Tire Gauge";

all issued to Amos S. Marchus, petitioner.

declared void or non-infringed. On motion of appellees the Chicago suit was stayed. Thereupon appellant and his co-defendant, Ames Supply Company, counterclaimed in the California action on the three above mentioned patents and the suit was eventually tried as a patent infringement suit. The trial Court simply entered a minute order (R. 68) for judgment for the plaintiff.

Findings of fact and conclusions of law and final judgment (R. 69-77) found none of the patents infringed and two of the three patents invalid.

Concerning patent No. 1,892,435, the only one we are interested in here, the trial Court said nothing to disturb its validity.

The Ames Supply Company then cancelled its license and left Mr. Marchus to appeal on his own account.

The Circuit Court of Appeals for the Ninth Circuit affirmed the lower Court, Fed. (2d), 58 U.S. P.Q. 42, on the invalidity of the two patents previously held invalid by the lower Court but went beyond the lower Court and outside any issue raised on appeal and said that this third patent was infringed, if valid, and then proceeded to hold it invalid; pointing out that there was a conflict of decision between the several Courts as to whether an Appellate Court could or should go into the question of validity where invalidity was not an issue on appeal.

The Court's ruling regarding Patent No. 1,892,435 on this point (and this is the sole point on this petition) reads as follows (IV R. 859-60):

"In connection with this patent the court below held merely that the Druge devices do not infringe claim 1 and made no statement as to the **validity** of the patent. Validity was not, of course, challenged in appellant's statement of points on appeal. Both parties seem to concede in their briefs that the matter was not raised on appeal; yet both devote some discussion to the validity of the patent. However, the evidence before the trial court is included in the transcript of the record on appeal.

"Since we believe that the Druge devices did infringe Marcus Patent No. 1,892,435, (if it was valid), **we are squarely presented with the question of our right to consider the validity of the patent in a situation where the trial court was silent on the subject, and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue.*** There is some conflict in the authorities on the question. When a lower court declares only that a patent has not been infringed, it has been held that an appellate court cannot adjudicate the validity of the patent, *Hazeltine Corp. v. Crosley Corp.* (CCA 6), 130 Fed. (2d) 344; *Shakespeare Co. v. Perrine Mfg. Co.* (CCA 8), 91 Fed. (2d) 199. However, it has also been declared in connection with similar problems that an appellate court is not restricted to the questions decided below but may consider all material matters in issue, *Kool Kooshion Mfg. Co. v. Mitchell Mfg. Co.* (CCA 8), 102 Fed. (2d) 37; *Mills Novelty Co. v. Monarch Tool & Mfg. Co.* (CCA 6), 49 Fed. (2d) 28; *Herman Body Co. v. St. Louis Body & Equipment Co.* (CCA 8), 46

*All emphasis supplied unless otherwise stated.

Fed. (2d) 879. Our own court by dictum has indicated its approval of the latter view in *Oliver-Sherwood Co. v. Patterson-Ballagh Corp.* (CCA 9), 95 Fed. (2d) 70, although in that case the trial court had held the patents valid but not infringed.

"We believe the better view gives the appellate court the right to investigate the question of invalidity, providing all the evidence is before it and where, as is true in this case, there is no conflict in the evidence upon the issue.* We proceed to inquire into the validity of Patent No. 1,892,435."

A petition for rehearing was presented and denied, in which petition the Court's attention was called to the ruling of this Court in the case of *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 52 USPQ 275 (decided February 2, 1942), which appeared to be contrary to the rule followed by the Ninth Circuit Court of Appeals.

THE BASIS OF THIS APPLICATION FOR WRIT.

The portion of the Appellate Court's decision last above quoted and emphasized presents squarely the sole question on this petition (to use the words of the Court itself), to-wit: The question of the Appellate Court's "right to consider the validity of the patent in a situation where the trial Court was silent on the

*The statement of the Court is not understood. Certainly the experts did not agree in their interpretation of the prior art with respect to this Marchus patent except that Freeman and Donaldson "were the closest references" (R. 390). The marked dissimilarities between the practical device of the Marchus patent and the more complex and impractical structures of the prior art do not argue for anticipation.

subject, and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue."

ASSIGNMENTS OF ERRORS.

The errors which petitioner will urge if this writ of certiorari is granted are that the Circuit Court of Appeals for the Ninth Circuit erred:

(1) In holding that the Appellate Court has the right to investigate the question of invalidity in a situation where the trial Court was silent on the subject and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue.

(2) In deciding an important question of patent law contrary to the weight of authority on the subject.

(3) In deciding an important question of patent law contrary to the holding of this Court in the case of *Exhibit Supply Co. v. Ace Patents Corporation*, 315 U.S. 126.

(4) The Court erred in not giving judgment to appellant after having found infringement of Letters Patent No. 1,892,435 and with the validity of the patent not in issue on the appeal.

All of said questions were duly raised before the Court of Appeals for the Ninth Circuit and your petitioner avers that the present case is one in which it is proper for the Court to issue the writ and for the following reasons:

(1) Because of the admitted conflict in the authorities on the question;

(2) Because of the misapprehension on the part of the Court of Appeals for the Ninth Circuit on the meaning and effect of the decision of the Supreme Court in *Exhibit Supply Co. v. Ace Patent Corporation*, 315 U.S. 126;

(3) Because the various Federal Appellate Courts are in conflict as to what weight shall be given to a patent where the issue of validity of the patent is not presented by either party on appeal and where infringement is found to exist by the Appellate Court;

(4) Because the question presented is of grave importance to the public and to the holders of thousands of valuable patents.

Wherefore your petitioner prays that this Honorable Court will be pleased to grant a writ of certiorari to the United States Circuit Court of Appeals to bring up this case or so much thereof as may appear necessary and proper to this Honorable Court for such proceedings therein as to this Honorable Court may seem just.

Dated, San Francisco, California,
September 3, 1943.

AMOS S. MARCHUS,

Petitioner,

By CHAS. E. TOWNSEND,

Counsel for Petitioner.

In the Supreme Court

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No.

AMOS S. MARCHUS,

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Respondents.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

THE OPINIONS OF THE COURTS BELOW.

The opinion of the United States Circuit Court of Appeals for the Ninth Circuit appears at Fed. (2d) and in the record herein at R. 854-868. There was no opinion by the lower Court, the minute order of the District Court appearing at R. 68-9 and the judgment of the District Court at R. 75-77.

JURISDICTION.

The jurisdiction of this Court is invoked under Section 240(a) of the Judicial Code as amended by the act of February 13, 1925; 28 U.S.C. 347(a); and also by reason of diversity of decision with respect to grave and important rules of patent law.

The decision of the United States Circuit Court of Appeals for the Ninth Circuit is in conflict with the decisions of this Court and of other Circuit Courts of Appeals on the same identical issues.

Cases believed to sustain the jurisdiction include:

Klaxon Co. v. Stentor Electric Mfg. Co., 313 U.S. 487, 49 U.S.P.Q. 515;

Fashion Originators' Guild of America v. Federal Trade Commission, 312 U.S. 457, 48 U.S.P.Q. 483;

Milcor Steel Co. v. Geo. A. Fuller Co., 316 U.S. 143, 53 U.S.P.Q. 268;

U. S. Industrial Chem., Inc. v. Carbide & Chem. Corp., 315 U.S. 668, 53 U.S.P.Q. 6.

PETITION FOR REHEARING.

A petition for rehearing herein was denied by the Circuit Court of Appeals for the Ninth Circuit on July 16, 1943. (IV R. 870.)

STATEMENT.

The controlling facts, together with the single question herein involved and stated by the Appellate Court itself and the assignments of error, appear sufficiently set out in the foregoing petition, except that we might briefly quote the following from the Ninth Circuit Court of Appeals' decision (IV R. 859) as showing in brief the nature of the patent immediately in issue:

"Patent No. 1,892,435 (1932) relates to a combined air gauge and filling valve, through which by the operation of a trigger valve compressed air is permitted to fill the tire. The air pressure in the tire forces the air gauge to register the pressure poundage. It was originally filed June 3, 1929, as a division patent of Marchus' copending application which matured into Patent No. 1,715,463, issued June 4, 1929. Only claim 1 of the patent is in issue under the pleadings."

ARGUMENT.

This case, it is respectfully urged, squarely points a conflict between corresponding controlling decisions of this Court and the decisions of various Courts of Appeal and particularly between the decisions of the Ninth Circuit Court of Appeals on the one hand and contrary decisions of the Second Circuit (*A. Schrad-er's Sons v. Wein Sales Corp.*, 9 Fed. (2d) 306, 307) and the Sixth Circuit (*Hazeltine Corp. v. Crosley Corp.*, 130 Fed. (2d) 344; and of conflict between the Ninth Circuit Court of Appeals and this Honorable Court on the same point of law as seen in *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126.,

There appears, in fact, a growing misapprehension on the part of the Federal Appellate Courts as to proper procedure in cases where neither party questions the validity of a patent on appeal and where there is, of course, no collusion and the patent is not one of trivial concern or so void on its face that a court must take cognizance that the invention involved is not patentable (*Dunbar v. Myers*, 94 U.S. 187) and where otherwise the only question is that of infringement and scope of the patent.

A brief review of the authorities pro and con show:

Exhibit Supply Co. v. Ace Patents Corp., 315 U.S. 126.

While the facts there are stated briefly, the pronouncement of law here contended for by petitioner seems clearly stated. It was said (p. 276):

“The defenses were non-invention in view of the prior art, anticipation by prior publication, use and sale, non-infringement and a file wrapper estoppel. * * * Upon full consideration of the issues the District Court and the Circuit Court of Appeals for the Seventh Circuit held claim 4 of the patent valid and infringed.

* * * * *

“Neither in their petition nor in their brief and argument in this Court have petitioners contended that the patent is invalid for want of invention.”

The majority of the Court thereupon considered the question of invalidity as foreclosed against defendant on appeal and proceeded to consider the question of infringement. In so doing, they reviewed the file

wrapper contents to determine the scope of the claim in issue and held it infringed.

The Court did not recognize the existence of any conflict of decision, apparently accepting the law as settled on that point, merely saying (p. 276) :

“Although there is no conflict of decision, we were moved to grant the petition by the nature of the questions presented, together with a showing that the industry affected by the patent is located in the seventh circuit so that litigation in other circuits resulting in a conflict of decision would not be likely to occur.”

Petitioner's viewpoint on the holding there is borne out by reference to this *Ace Patents* case in two later and separate decisions by the Second Circuit, viz.: *Aero Spark Plug Co. v. B. G. Corp.*, 130 Fed. (2d) 290, and *Cover v. Schwartz*, 133 Fed. (2d) 541.

In the *Spark Plug* case appears the following (p. 350) :

“In *Exhibit Supply Co. v. Ace Corp.*, 315 U. S. 126 (52 USPQ 275), a majority of the court refused to consider whether a patent was invalid for want of invention while holding there was no infringement; but **that refusal was explicitly rested on the sole ground that the issue of lack of invention was not before the court** as it had been raised by the alleged infringer neither in its petition for certiorari nor in its brief filed in the Supreme Court. That, however, is not the situation here.”

THE RULE OF THE SECOND CIRCUIT.

That this had long been the rule in the Second Circuit is seen by the earlier case of *A. Schrader's Sons v. Wein Sales Corp.*, 9 Fed. (2d) 306, 307 (1925).

THE SIXTH CIRCUIT RULE.

Hazeltine Corp. v. Crosley Corp., 130 Fed. (2d) 344 (6 C.C.A.).

In this case the facts are shown in the opinion (p. 349):

"* * * no conclusions of law were stated by the district court with respect to the validity of the patent claims in issue. Nevertheless, the appellant urges that this court should pass upon the validity of the claim of the MacDonald patents. We cannot agree that such procedure would be appropriate."

In deciding against the appellant the Court said concerning the *Mills Novelty Company* case (a case cited by the Ninth Circuit Court of Appeals for support of its position) (p. 349):

"The authority lends no support to appellant's insistence that the validity of the patents should be adjudicated in the instant case; * * *."

And at page 350 the Court says:

"We are not obliged to adjudicate validity in behalf of the owner of a patent who has appealed from a decree adjudicating non-infringement. An adjudication upon the validity of the patent would be as moot in the one case as in the other."

To the same effect appears the earlier case of *Republic Iron & Steel Co. v. Youngstown S. & T. Co.*, 272 Fed. 386 (1921) 6 C. C. A. The first and second syllabi read:

1. "Where, in a suit for the infringement of two patents, the court granted the usual interlocutory decree for injunction and accounting on one of the patents, and expressed no opinion as to the other, the validity of the second patent is not open to consideration on an appeal from such interlocutory decree."

2. "The Circuit Court of Appeals must take notice that it has no jurisdiction of the question as to the validity of a patent as to which the District Court expressed no opinion, though the objection is not made by either party."

A case cited by the 9th Circuit Court of Appeals as favoring the doctrine of the 6th Circuit Hazeltine case is *Shakespeare Co. v. Perrine Mfg. Co.*, 91 Fed. (2d) 199 (1937) 8th C. C. A., in which the Court said (p. 201):

"Since the trial court, following what we deem the usual and better practice when lack of infringement develops, did not pass upon the validity of the patent in suit (*Irvin v. Buick Motor Co.* (C. C. A.), 88 F. (2d) 947), we do not consider the question of validity, because it is not involved here."

Cases Contra:

Of the cases allegedly holding contrary to the doctrine of the cases last above considered, the 9th Circuit Court of Appeals refers to the following:

Kool Kooshion Mfg. Co. v. Mitchell Mfg. Co.,
102 Fed. (2d) 37 (8 CCA).

The Court there expressly said that one of the issues presented on the appeal was the "validity of claim 3" as well as its scope and infringement. The special defense of invalidity was "indefiniteness" and the Court said (p. 39):

"Our doubt is as to whether the ground for invalidity now urged is within the pleadings and was ever presented to the trial court. Were it necessary for disposition of this appeal to determine this issue of invalidity, we would do so. However, we are convinced that there was no infringement of claim 3 (if valid) and, therefore, **we prefer to avoid the above doubtful situation**, and to resolve the appeal upon the ground of non-infringement."

But as the Court found non-infringement (p. 37) they did not feel called upon to pass upon "the above doubtful situation".

Mills Novelty Co. v. Monarch Tool & Mfg. Co.,
49 Fed. (2d) 28 (6 C. C. A.).

It is not seen how this case is in point because validity of two patents was directly in issue, as shown by the following statement of fact in the opinion (p. 29):

"The District Court's opinion held that Enz was invalid for lack of invention; that Schoen was valid and infringed; that the defense of laches was not good; and that the title to Schoen had failed through the effect of bankruptcy proceedings. The bill was therefore dismissed by a single entry, making no recitals; and the plain-

tiff appeals, assigning as error mainly that Enz should have been held good and infringed and that the plaintiff's title to Schoen should have been sustained."

The appellants' attempt to narrow the issue on appeal was denied by the Court, the Court saying (p. 29):

"On the argument here, defendant presents several of the defenses urged below; appellant insists we should consider only the questions which the District Court decided against it. This is not the rule. Appeals in equity bring up the whole case (with certain inferences in favor of the decree below), and the decree below should be sustained if it was right for any reason."

It has already been pointed out above in the *Hazeltine* case how this *Mills* case was differentiated from the *Hazeltine* case.

Herman Body Co. v. St. Louis Body & Equipment Co., 46 Fed. (2d) 879 (8 C. C. A.).

The first syllabus reads (p. 879):

"Question of validity of patent can be reviewed regardless of fact that trial court declaring non-infringement expressed no opinion on validity and there was no cross-appeal."

This case points to several cases apparently on opposite sides of the question and finally the Court concludes that as far as the 8th Circuit is concerned, it is governed by the ruling in *Tropic-Aire, Inc. v. Sears, Roebuck & Co.*, 44 Fed. (2d) 580. However, a reading

of the *Tropic-Aire* case gives no inkling of how that issue arose. There was a decree of dismissal and plaintiff appealed. The Court said (p. 580):

“The trial court held that claims 6 and 7, being the ones alleged to be infringed by appellee’s device, were so limited by the prior art that appellee’s device was not an infringement thereof.”

The Ninth Circuit Court of Appeals also refers to a dictum of its own in the prior case of *Oliver-Sherwood Co. v. Patterson-Ballagh Corp.*, 95 Fed. (2d) 70 (9 C. C. A.).

The doctrine of the *Oliver-Sherwood* case was followed and approved by the same Court in *Willamette Hyster Co. v. Pacific Car & Foundry Co.*, 122 Fed. (2d) 496. Thus we see that as far as the Ninth Circuit is concerned, it is fully committed to the doctrine followed in the instant case.

Oliver-Sherwood Co. v. Patterson-Ballagh Corp., 95 Fed. (2d) 70,

was, as said in the Marchus opinion, pure dicta as seen by the following from the opinion of Judge Wilbur (p. 72):

“Bettis filed a cross-appeal in which he attacks the finding and judgment of the trial court holding the Bettis and Perry patent invalid and not infringed and the finding of validity of plaintiffs’ patents. The Patterson-Ballagh Corporation, no longer interested in the Bettis patent, secured a severance and filed a separate cross-appeal in which it confines its attack upon the decree to that portion of the findings and decree

which holds valid the Sherwood patents 1,416,988 and 1,510,804. This it could have done as appellee without a cross-appeal. *Herman Body Co. v. St. Louis Body, etc., Co.*, 8 Cir., 46 F.2d 879; Cf. *Morley Const. Co. v. Maryland Cas. Co.*, 300 U. S. 185, 57 S. Ct. 325, 81 L. Ed. 593."

Turning to the *Morley* case of this Court, last above cited, the Court said (p. 597):

"Without a cross-appeal, an appellee may 'urge in support of a decree any matter appearing in the record although his argument may involve an attack upon the reasoning of the lower court or an insistence upon matter overlooked or ignored by it'. *United States v. American R. Exp. Co.*, 265 U.S. 425, 435, 68 L. ed. 108, 1093, 44 S. Ct. 560. **What he may not do in the absence of a cross appeal is to 'attack the decree with a view either to enlarging his own rights thereunder or of lessening the rights of his adversary, whether what he seeks is to correct an error or to supplement the decree with respect to a matter not dealt with below'. Ibid.** The rule is inveterate and certain." (Citing numerous cases.) (Emphasis supplied.)

We submit that the Ninth Circuit Court of Appeals in reading this *Morley* case overlooked the emphasized portion above, since latter seems to be entirely consistent with the holding of this Court in the later *Ace Patents* case, *supra*.

In conclusion, it is clear that sharp conflict exists among the several Courts of the several circuits as to the rule to be followed in a case where an Appel-

late Court is confronted with a situation which, after finding infringement they summed up in the query:

“* * * our right to consider the validity of the patent in a situation where the trial court was silent on the subject, and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue. There is some conflict in the authorities on the question.”

In view of the frequent recurrence of the problem as well as conflict of approach to the problem between circuits, and the importance of the question involved to the public and to patent owners alike, it would seem to be the duty of this Honorable Court to clarify the law on the subject.

Dated, San Francisco, California,
September 3, 1943.

Respectfully submitted,

CHAS. E. TOWNSEND,

Counsel for Petitioner.





FILED

OCT 4 1943

CHARLES ELMORE DROPLEY
CLERK

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BRIEF FOR RESPONDENTS.

A. W. BOYKEN,

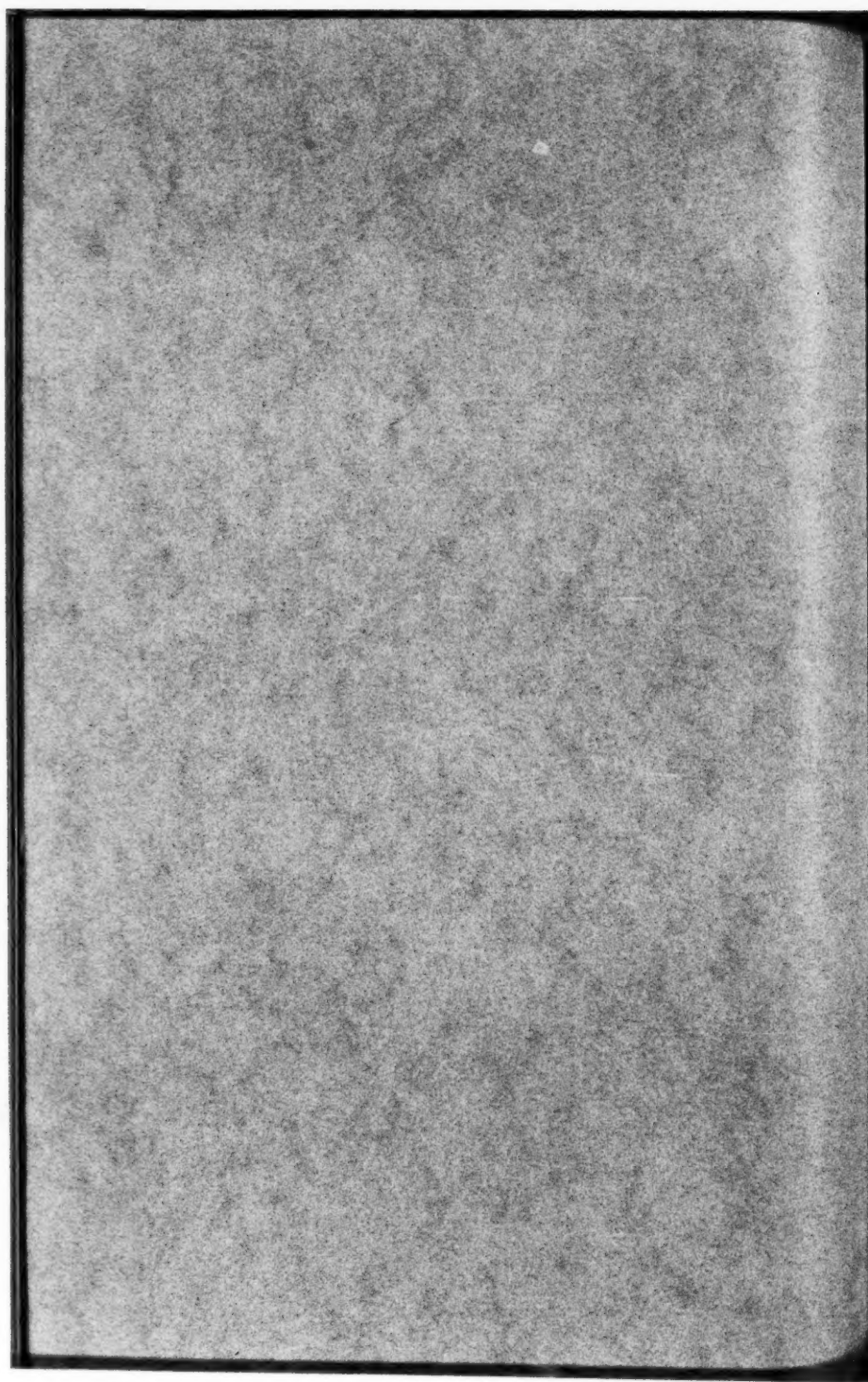
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Respondents.

BRIEF FOR RESPONDENTS.

The petition seeks a writ of certiorari to review a judgment in a patent suit entered by the Circuit Court of Appeals for the Ninth Circuit, affirming a final judgment of the United States District Court for the Northern District of California.

ALLEGED BASIS OF PETITION.

The basis for the petition is the alleged error of the Appellate Court in holding a patent invalid when

“the trial court was silent on the subject, and where the appellant assigned no error and the appellees brought no cross-appeal raising that issue”. (Petition pp. 5-6.) This Court’s opinion in *Exhibit Supply Co. v. Ace Patents Corporation*, 315 U. S. 126, 62 S. Ct. 513, is principally relied on by petitioner.

INVALIDITY ISSUE BEFORE DISTRICT COURT.

In the original complaint for declaratory relief, the Druge Brothers, respondents here, asserted that the patent in question, No. 1,892,435, was invalid. (Tr. pp. 2-3; paragraphs 2 and 5 of Complaint.) Later, in the answer to counter-claim for patent infringement, respondents interposed the defense that the same patent, and each and all the claims thereof “are invalid for lack of invention”. (Tr. p. 61; paragraph 6.)

INVALIDITY DECISION UNNECESSARY.

The invalidity of Patent No. 1,892,435, raised by present respondents, was therefore an issue before the District Court, on which evidence was introduced at the trial. (Tr. pp. 234-235; 283-313.) Since the trial Court found that the patent was not infringed,* an adjudication by the same Court on the defense of invalidity was immaterial under the doctrine announced by this Court in *Electrical Fittings Corporation v. Thomas & Betts Co.*, 307 U. S. 241, 59 S. Ct.

The Final Judgment, paragraph 7 (Tr. p. 76) says the patent is not infringed “assuming the claims thereof in suit to be valid”.

860. In that case it was held that when a complaint is dismissed for failure to prove infringement, defendants were entitled to have eliminated the portion of the decree which had adjudged patent validity.

NO CROSS-APPEAL PERMISSIBLE.

It was not incumbent upon respondent here to appeal from a favorable decision in the District Court, in which no infringement was found, yet patent validity remained undecided, hence no cross-appeal was filed. In *Electrical Fittings Corporation, et al. v. Thomas & Betts Co., et al.*, supra, this Court said:

“A party may not appeal from a judgment or decree in his favor, for the purpose of obtaining a review of findings he deems erroneous which are not necessary to support the decree.”

ALL DEFENSES BEFORE APPELLATE COURT.

The appeal taken by present petitioner brought before the Circuit Court of Appeals *all defenses* urged below, including invalidity and non-infringement.

United States v. American Railway Express Co., 265 U. S. 425, 44 S. Ct. 560;

Langnes v. Green, 282 U. S. 531, 51 S. Ct. 243;

Stelos Co. v. Hosiery Motor-Mend Corpn., 295 U. S. 237, 55 S. Ct. 746;

Morley Construction So. v. Maryland Casualty Co., 30 U. S. 185, 57 S. Ct. 325;

Mills Novelty Co. v. Monarch Tool & Mfg. Co., 49 F. (2d) 28;

Cleveland Clinic Foundation v. Humphrys, 97 F. (2d) 849; and
Merco Nordstrom Valve Co. v. W. M. Acker Organization, Inc., 131 F. (2d) 277.

On that rule there can be no dispute.

In the Appellate Court, the parties apparently thought no special appeal was necessary, in order to submit the validity defense, for the opinion of that Court says both parties "devote some discussion of the validity of the patent" in their brief.

Marchus v. Druge, 136 F. (2d) 602, 605.

ALLEGED CONFLICT OF DECISIONS.

The Circuit Court of Appeals in this suit refers to a conflict of authorities on the right of an Appellate Court to consider patent validity in a situation where the trial Court was silent on the subject, and where the appellant assigned no error and the appellee brought no cross-appeal raising the issue. Some stress is laid on that statement in the petition and supporting brief. But if we examine the opinions relied on by the Court, said to support the view that an Appellate Court cannot adjudicate patent validity when the trial Court declares only that a patent has not been infringed, we find that they do not directly decide that point. In both *Shakespeare Co. v. Perine Mfg. Co.*, 91 F. (2d) 199, and *Hazeltine Corp. v. Crosley Corp.*, 130 F. (2d) 344, the decree of the lower Court adjudicating non-infringement, was af-

firmed and a statement in the opinion that validity was not involved, was only dicta.

A. Schrader's Sons v. Wein Sales Corpn., 9 F. (2d) 306,

and

Cover v. Schwartz, 133 F. (2d) 541, additionally relied on by petitioner, present no conflict.

PUBLIC POLICY INVOLVED.

To sustain claims which a Court believes invalid would be a direct contravention of the public interest sought to be safeguarded by the patent statutes.

Muncie Gear Works v. Outboard Marine & Mfg. Co., 315 U. S. 759, 62 S. Ct. 865;

United Carbon Co. v. Binney & Smith Co., 317 U. S. 228, 63 S. Ct. 165, 168.

The public interest is better served by a decision that the patent is invalid than by a decision that if it were valid it would not be infringed.

Gebhard v. General Motors Sales Corporation, 135 F. (2d) 248.

In the recent patent suit of

Marconi Wireless Telegraph Co. v. United States, U. S., 63 S. Ct. 1393, 87 L. Ed. 1296, 1319, decided June 21, 1943,

this Court said:

"But this Court, in the exercise of its appellate power, is not precluded from looking at any evidence of record which, whether or not called to

the attention of the Court below, is relevant to and may affect the correctness of its decision sustaining or denying any contention which a party has made before it. (Citing cases.)”

NO CONFLICT WITH EXHIBIT SUPPLY CO. DECISION.

The opinion of this Court in

Exhibit Supply Co. v. Ace Patents Corporation,

315 U. S. 126, 62 S. Ct. 513,

is principally relied on to support the petition and it is said, that opinion is in conflict with the one in the instant case.

In that case the usual defenses of invalidity and non-infringement appeared. Upon full consideration of all issues, the District and Appellate Courts held claim 4 of the patent valid and infringed. Thereupon defendant petitioned this Court for a writ of certiorari, but challenged only the decree on the question of infringement. Neither in the petition, nor in the brief and argument was it contended that the patent was invalid. Under these circumstances, the majority opinion considered only the question of infringement, though the minority opinion pointed out that there can be no infringement of an invalid patent. The refusal of the majority of the Court to consider validity explicitly rested on the sole ground that petitioner had not raised the question in its petition, briefs and argument in this Court.

The Exhibit Supply Co. decision is not in conflict with the Appellate Court decision in the instant case.

The facts and procedure in the two cases were entirely different. Validity was not, of course, challenged by appellant Marchus because appellant himself was the patentee. Validity could not be challenged by Druge Brothers, appellees, on a separate cross-appeal because the lower Court judgment was in their favor.

Electrical Fittings Corporation v. Thomas & Betts Co., supra.

Both Marchus and Druge Brothers discussed validity in their briefs.

In the Exhibit Supply Co. suit the District and Appellate Courts both held the patent *valid*, while in the instant case, the District Court made no ruling on validity and the Appellate Court held the patent *invalid*. In the Exhibit Supply Co. suit, petitioner could have raised the invalidity issue in this Court, but failed to do so, whereas, in our case appellees were precluded from taking a cross-appeal, though the evidence on invalidity was before the Appellate Court and both parties devoted some discussion to it on appeal. The two cases can easily be distinguished, and there is no conflict of decision which requires clarification by this Court.

CONCLUSION.

In conclusion:

1. It was impossible for respondents to take a cross-appeal on the question of validity.
2. Petitioner's appeal brought all defenses before the Circuit Court of Appeals.

3. Invalidity was pleaded in the District Court and evidence submitted on that defense.

4. Invalidity was discussed by both parties in the Appellate Court.

5. When a patent is invalid, it is the duty of the Court so to decide.

6. The opinion of this Court in *Exhibit Supply Co. v. Ace Patents Corp.*, supra, is not in conflict with the opinion of the Circuit Court of Appeals in the present case.

7. The petition for a writ of certiorari should be denied.

Dated, San Francisco, California,
September 29, 1943.

Respectfully submitted,

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RAYMOND SALISBURY,
Of Counsel.

End

